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TO RUEHC/SECSTATE WASHDC IMMEDIATE 7520
INFO RUEHZS/ASSOCIATION OF SOUTHEAST ASIAN NATIONS PRIORITY
RUEHBY/AMEMBASSY CANBERRA 1823
RUEHKO/AMEMBASSY TOKYO 1367
RUEHWL/AMEMBASSY WELLINGTON 2203
RHHJJPI/USPACOM HONOLULU HI
RHEHNSC/NSC WASHDC
RUEAIIA/CIA WASHDC

C O N F I D E N T I A L JAKARTA 003484

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DEPT FOR EAP, EAP/MTS, EAP/MLS, INR/EAP
NSC FOR EPHU

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TAGS: PGOV KJUS KCOR KISL ID
SUBJECT: CONTROVERSIAL EX-MINISTER MAKES A COMEBACK

REF: A. JAKARTA 1282

1B. STATE 28252
1C. 06 STATE 165837

Classified By: Pol/C Joseph Legend Novak, reasons 1.4(b+d).

11. (C) SUMMARY: Six months after his removal from the Cabinet in the wake of corruption allegations, former minister Yusril Mahendra is making a political comeback. The Palace recently appointed Yusril to be a Presidential legal adviser. There are also reports that he may be nominated to become a Justice on the Constitutional Court. It is not clear why Yusril is being rehabilitated, but he maintains close links with Islamic groups and is considered a formidable political player. END SUMMARY.

THE COMEBACK KID?

12. (U) Former State Secretary Yusril Mahendra recently confirmed that he has returned to the government as a legal advisor to President Yudhoyono. The position is reportedly a new one and not related to the President's Advisory Council, which also advises on legal issues. Yusril also told the press that the President has agreed to nominate him for the position of Justice on the Constitutional Court in 2008. The President's office has yet to confirm the latter report.

13. (SBU) Yusril was removed from his position as State Secretary--an influential administrative position--as part of

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the May 2007 Cabinet reshuffle (ref A). At that time, Yusril was under close scrutiny after allegations surfaced that the Ministry of Law and Human Rights, which Yusril headed under President Megawati, had allowed Tommy Suharto--the notorious son of the former president--to use one of its accounts to repatriate several million dollars in funds held overseas in 12004. Yusril had also been interviewed by the Corruption Eradication Commission regarding the illegal procurement of fingerprinting equipment by the Ministry. Although Yusril was not named a suspect, one of his close subordinates was eventually convicted of corruption in the case.

A POWER BROKER

14. (C) An expert on State Administrative Law, Yusril has been a key political player since the 1990's, when he worked as a speechwriter for presidents Suharto and Habibie. He also developed close ties with hard-line Islamic groups such

as the Preacher's Council and Kompak. (Note: His alleged involvement with militant Islamic groups led the USG to revoke his A-1 visa in 2005 -- refs B-C.)

¶15. (U) In 1999, Yusril co-founded the Crescent and Star Party (PBB), an Islamist party which supports the introduction of Sha'riah law in Indonesia. Yusril later became party chairman and was touted as a possible presidential candidate. However, after a poor showing in the 2004 legislative elections, Yusril moved the party to back Yudhoyono's candidacy.

SPARKING CONTROVERSY

¶16. (C) Yusril's apparent rehabilitation is a testament to his continued political clout, but the unresolved corruption allegations make his re-appearance problematic for the Palace. One member of Parliament has already criticized his appointment as legal advisor. An appointment to the Constitutional Court--if indeed one is planned--could damage the reputation of one of the few legal institutions in Indonesia that is still seen as corruption-free.

HUME